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9 **UNITED STATES BANKRUPTCY COURT**
10 **EASTERN DISTRICT OF WASHINGTON**

11 In re:
12 GIGA WATT, Inc., a Washington
13 corporation,
14 Debtor.

15 Case No. 18-03197 FPC 11
16 The Honorable Frederick P. Corbit
17 Chapter 11

18 **CHAPTER 11 TRUSTEE'S MOTION
19 FOR ORDER APPROVING: (I)
20 SALE OF TNT FACILITY AND
21 TRAILER EQUIPMENT FREE AND
22 CLEAR OF LIENS, CLAIMS AND
23 INTERESTS, SUBJECT TO
24 OVERBIDDING, APPROVING
25 NOTICE THEREOF; (II)
 ASSUMPTION AND ASSIGNMENT
 OF LEASES AND POWER
 CONTRACT AND (III)
 SHORTENED NOTICE THEREON**

26 **Telephonic Hearing**

27 Date: May 13, 2020
28 Time: 1:30 p.m. PT
29 Telephone: 877-402-9753
30 Access Code: 3001392

1 Mark D. Waldron, in his official capacity as the Chapter 11 Trustee (the
2 “**Trustee**”), hereby moves (the “**Motion**”) the Court pursuant to 11 U.S.C.
3 §§ 105, 363, 365 and Rules 2002, 6004, 6006, 9014 and LBRs 2002-1, 6004-1 and
4 6006-1 for an Order, in the form attached hereto as **Exhibit A**:

5 1. approving the sale (“**Sale**”) of the Debtor’s crypto-mining facility in
6 East Wenatchee, WA (“**TNT Facility**”) and of certain equipment that is located in
7 trailers (“**Trailers**”) that the estate leases (“**Trailer Equipment**”). The Sale is free
8 and clear of all liens, claims and interests, pursuant to the Purchase and Sale
9 Agreement (the “**Agreement**”), attached hereto as **Exhibit B**.

10 2. approving the assumption and assignment of the (a) Debtor’s leases
11 of the TNT Facility (“**TNT Leases**”) pursuant to which the estate pays monthly
12 rent in the amount of \$11,900 and (b) Debtor’s contract with the Public Utility
13 District No. 1 of Douglas County, Washington (“**District**”) pursuant to which the
14 District provides up to 3.3 MW of hydro-electric power to the TNT Facility at its
15 standard rates;

16 3. approving the assignment of the oral lease of the Trailers (“**Trailer
17 Oral Lease**”) at \$1,000 per month.

18 4. hearing the Motion on shortened notice of eleven (11) days. Service
19 will occur on May 2, 2020, objections due on May 8, 2020, and replies due on
20 May 11, 2020.

The material terms of the Agreement are as follows:

	Description	Agreement	Order
1	Buyer or Purchaser	EcoChain, Inc. (“EcoChain”) or successful overbidder	Preamble
2	Price	\$200,000 cash, subject to overbidding	Art. III, Art. V
3	Deposit	Buyer pays refundable deposit of \$20,000 (the “ Earnest Money Deposit ”). Earnest Money Deposit applied to Purchase Price, if approved. If Sale not approved, Trustee to return Earnest Money Deposit to EcoChain	§ 3.01
4	Assets Sold	TNT Equipment Trailer Equipment	§ 2.01(a) § 2.01(d)
5	Assumed and Assigned Lease and Contract	TNT Leases Power Contract, without Deposit	§ 2.01(b) § 2.01(c)
6	Assignment	Trailer Oral Lease	§ 2.01(e)
7	Excluded Assets	Gib Equipment	§ 2.01(d)(i)
8	Delivery	Seller completes delivery by making Trailer Equipment and TNT Facility available to Buyer at their current locations Buyer assumes all responsibility, expense and risk of moving Trailer Equipment	§§ 2.02 and 2.03 Art. VIII
9	Closing Date	Three business days after entry of Approval Order	§ 4.01
10	Warranties	Property sold “As Is”; Buyer not relying on Trustee’s equipment inventory; Buyer relying on own inventory; Inspection rights to Buyer	Article VI, Article VII

Chapter 11 Trustee’s Motion for Order Approving: (i) Sale of TNT Facility, etc. -
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	Description	Agreement	Order	
1	Overbidding	Subject to overbidding: • First overbid increment: \$50,000 • Subsequent overbid increment: \$5,000 • EcoChain may participate in overbidding	§ 5.03	¶ 7
5	Break-Up Fee	If party other than EcoChain wins bidding, EcoChain receives break-up fee of greater of \$40,000 or ten percent (10%) of final purchase price	§ 5.03	¶¶ 7, 8
8	Conditions	Court approval of sale free and clear of all liens, claims and interest and of assumption and assignment of leases and power contract Court finding that Sale is in good faith; waiver of Rule 6004(h) and 6006(d)	Art. V Art. V	¶ 6 ¶ 9

Notice (the “**Notice**”) in substantially the form attached hereto as **Exhibit C**, will be served upon the Master Mailing List and all parties who have contacted the Trustee regarding equipment purchase.

This Motion is supported by the *Memorandum of Points and Authorities* filed herewith and the *Declaration of Mark D. Waldron* to be filed on Monday, May 4, 2020.

WHEREFORE, the Trustee respectfully requests entry of an Order:

1. Granting the Motion in its entirety;
2. Approving the Sale free and clear of all liens, claims and interests;
3. Approving the Bidding Procedures and Break-Up Fee;

1 4. Authorizing the assumption by the Trustee and assignment to the
2 Buyer of the TNT Leases, the Power Contract;

3 5. Authorizing the assignment to Buyer of the Trailer Oral Leases;

4 6. Finding that the Agreement is entered into in good faith and waiving
5 the 14-day stay set forth in Fed.R.Bank.P. 6004(h) and 6006(d); and

6 7. Approving the Notice and granting the request for shortened time;

7 8. Granting such other and further relief as the Court deems necessary

8 | and just.

9 | Dated: May 1, 2020

POTOMAC LAW GROUP PLLC

By: /s/ Pamela M. Egan
Pamela M. Egan (WSBA No. 54736)

*Attorneys for Mark D. Waldron, Chapter 11
Trustee*